

RESOLUTION NO. ~~R-265809~~

MAY 27 1986

A RESOLUTION PROVIDING FOR THE ISSUANCE OF
\$20,000,000 OPEN SPACE PARK BONDS OF 1978, SERIES 86A

WHEREAS, on February 23, 1977, the City Council of the City of San Diego adopted Ordinance No. 12027 which added a new Division 20 (the "Procedural Ordinance") to Chapter VI, Article 1 of the San Diego Municipal Code, and which authorized the City to create park facilities districts for the purpose of acquiring, constructing, improving, maintaining and operating park facilities; and

WHEREAS, pursuant to Resolution No. 220486 adopted by the City Council on March 20, 1978, the City formed San Diego Open Space Park Facilities District No. 1 (the "District"); and

WHEREAS, pursuant to said Resolution No. 220486, the following proposition was placed on the June 6, 1978 primary election ballot:

"Proposition: Shall the San Diego Open Space Park Facilities District No. 1 incur an indebtedness, to be represented by general obligation bonds of the District, in the maximum principal amount of Sixty Five Million Dollars (\$65,000,000), to provide funds for the acquisition of open space and other park facilities, as more particularly described in the San Diego Park Facilities District Procedural Ordinance?"; and

WHEREAS, said proposition was approved by the affirmative vote of a majority of the voters of the District voting on the proposition, as required by Section 61.2042 of the Procedural Ordinance; and

WHEREAS, on December 18, 1978 the City Council adopted Resolution No. 222446 (the "Master Resolution"), authorizing the issuance of \$65,000,000 aggregate principal amount of "San Diego Open Space Park Facilities District No. 1 Open Space Park Bonds of 1978," to be issued in one or more series; and

WHEREAS, pursuant to Resolution No. 222609, adopted by the City Council on January 16, 1979; Resolution No. 253307, adopted by the City Council on December 15, 1980; and Resolution No. 257293, adopted by the City Council on October 5,

1982, the City, on behalf of the District, has heretofore issued \$45,000,000 of the \$65,000,000 aggregate principal amount of bonds authorized by the Master Resolution; and

WHEREAS, the City, on behalf of the District, now desires to issue the \$20,000,000 principal amount of bonds authorized by the Master Resolution but heretofore unissued, all for the purpose of providing funds for the acquisition of open space and other park facilities in accordance with the Procedural Ordinance;

NOW, THEREFORE, the City Council of the City of San Diego, California, resolves as follows:

PART 1. DEFINITIONS

1.01 Bonds. "Bonds" means the \$20,000,000 Open Space Park Bonds of 1978, Series 86A issued pursuant to this Resolution.

1.02 Federal Securities. "Federal Securities" has the meaning assigned to such term in the Procedural Ordinance.

1.03 Master Resolution. "Master Resolution" means Resolution No. 222446 of the City Council of San Diego.

1.04 Procedural Ordinance. "Procedural Ordinance" means Chapter VI, Article 1, Division 20 of the San Diego Municipal Code, as amended.

1.05 Purchase Contract. "Purchase Contract" means the Purchase Contract relating to the Bonds authorized pursuant to Resolution No. ~~R-265811~~ of the City, in the form in which it is executed and delivered to the original purchasers of the Bonds as such purchasers are identified in the Purchase Contract.

1.06 Term Bonds. "Term Bonds" means Bonds, if any, that are subject to mandatory redemption prior to their stated maturity.

1.07 All other terms capitalized but not otherwise defined herein shall, unless the context otherwise requires, have the meanings assigned to them in the Master Resolution or the Procedural Ordinance.

PART 2. GENERAL PROVISIONS

2.01 Facilities Law. Pursuant to Section 61.2004 of the Procedural Ordinance, except as to matters therein inconsistent with the intent, purpose and provisions of the Procedural Ordinance, the provisions of the Community Facilities Law of 1911 (commencing with Section 4600, Part 3, Division 5, Health and Safety Code), excepting Article 2a, subdivision (d) of Section 4616, the first sentence of Section 4618, the first sentence of Section 4623, Sections 4623.5, 4625 and the last sentence of Section 4638, thereof, and the provisions of Article 9 (commencing with Section 53550), as modified by Article 11 (commencing with Section 53580), Chapter, Part 1, Division 2, Title 5, Government Code, excepting Section 53569, thereof, shall apply to the Bonds.

PART 3. THE BONDS

3.01 The Bonds. Bonds shall be issued in the total aggregate principal amount not exceeding \$20,000,000 as shall be set forth in the Purchase Contract, entitled Open Space Park Bonds of 1978, Series 86A, in the form of fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof, provided that no bonds maturing in more than a single year shall be issued, to be dated as shall be provided in the Purchase Contract, to be numbered as determined by the Registrar, and to mature on January 1 in the years and amounts specified in the Purchase Contract.

3.02 Interest. The Bonds shall bear interest at the rate per annum set forth opposite each annual maturity in the Purchase Contract, payable on January 1, 1987, and semi-annually thereafter on July 1 and January 1 of each year to the date of maturity. Each Bond shall bear interest from the interest payment date next preceding the date of its authentication and registration unless authenticated and registered on an interest payment date, in which event from such date, or unless authenticated and registered prior to the first interest payment date, in which event from the date thereof; provided, however, that if at the time of authentication and registration of any Bond interest thereon is in default, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment. Interest is payable to the person in whose name a Bond is registered at the close of business on the fifteenth day of the month preceding each interest payment date.

3.03 Where Payable. The principal of, redemption premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. The interest is payable by check or draft mailed to the registered owner at the registered owner's address as it appears on the register maintained by the Registrar pursuant to Section 5.02. The principal and redemption premium, if any, is payable or a Bond is redeemable only upon surrender of the Bond at the office of the Paying Agent designated by the Paying Agent for such purpose.

3.04 Sale. The Bonds may be sold for less than their par value, the Procedural Ordinance having been so amended.

3.05 Bond Form. The form of the Bonds, including registration certificate and assignment forms thereon shall be substantially as set forth in Exhibit "A" hereto attached and by this reference made a part hereof, with such changes therein as may be approved by bond counsel. Temporary Bonds in substantially the form set forth as Exhibit A hereto may be used to consummate the sale of the Bonds in the event definitive Bonds are not available.

Part 4. REDEMPTION

4.01 Redemption. No Bond may be redeemed prior to its stated maturity except as set forth below.

(a) Special Redemption from Environmental Growth Fund and Tax Revenues. The Bonds maturing on or before January 1, 1994 are not subject to special redemption prior to their stated maturity. The Bonds maturing on or after January 1, 1995 are subject to special redemption at the option of the City on behalf of the District, in whole or in part on any interest payment date on or after January 1, 1994 from available moneys in the City's Environmental Growth Fund and from tax revenues. Each Bond so redeemed shall be redeemed at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, plus the premium, if any, set forth below:

<u>Special Redemption Date</u>	<u>Premium</u>
January 1, 1994 or July 1, 1994	2.0%
January 1, 1995 or July 1, 1995	1.0%
January 1, 1996 and thereafter	0%

(b) General Redemption. The Bonds maturing on or before January 1, 1995 are not subject to general redemption prior to their stated maturity. The Bonds maturing on or after January 1, 1996 are subject to general redemption at the option of the City on behalf of the District, in whole or in part on any interest payment date on or after January 1, 1995, from any available moneys of the City (including, but not limited to, the proceeds of bonds issued to refund the Bonds). Each Bond so redeemed shall be redeemed at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, plus the premium, if any, as set forth below:

<u>General Redemption Date</u>	<u>Premium</u>
January 1, 1995 or July 1, 1995	3.0%
January 1, 1996 or July 1, 1996	2.0%
January 1, 1997 or July 1, 1997	1.0%
January 1, 1998 and thereafter	0%

(c) Mandatory Term Bond Redemption. The outstanding Term Bonds, if any, shall be called and redeemed prior to maturity at a redemption price equal to the principal amount thereof without premium, or purchased in lieu of call as permitted by Section 4.09, in the amounts and in the years specified in the Purchase Contract. The optional redemption of Bonds pursuant to Section 4.01(a) or 4.01(b) shall not relieve the City of its obligation to redeem annually the principal amounts of Term Bonds required to be so redeemed pursuant to the Purchase Contract.

4.02 Selection of Bonds for Redemption. If less than all of the outstanding Bonds are to be redeemed prior to their maturity, the City, on behalf of the District, shall select the Bonds to be redeemed by lot, provided that the portion of any Bond of a denomination of more than 5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting portions of such Bonds for redemption, the City shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000. The Term Bonds, or portions thereof, which are to be called and redeemed prior to their maturity as required by the Purchase Contract shall be determined by lot prior to and separately from the determination of any additional Term Bonds that are to be optionally redeemed on the same redemption date. The City shall

promptly notify the Registrar and Paying Agent in writing of the Bonds, or portions thereof, selected for redemption.

4.03 Notice of Redemption. When Bonds are to be called for redemption, the City shall, not less than forty (40) days prior to the redemption date, notify the Paying Agent of its intention to redeem Bonds. The Paying Agent shall cause notice of redemption to be mailed, by registered or certified mail, not less than thirty (30) days prior to the date of redemption, to the registered owners of Bonds so called, as shown on the bond registry books. No interest shall accrue on said Bonds called for redemption or on any interest thereon after the redemption date specified in said notice if sufficient funds are set aside or made available on the redemption date for such redemption.

4.04 Form of Notice. The notice of redemption shall:

- (a) State the redemption date;
- (b) State the redemption price (including premium, if any);
- (c) State the Series, numbers and dates of maturity of the Bonds selected to be redeemed and the principal amount to be redeemed of Bonds to be redeemed in part, only; provided, however, that whenever any call includes all of the Bonds of the Series or maturity, the numbers of the Bonds of the Series or maturity need not be stated;
- (d) Require that such Bonds be surrendered for redemption at the office of the Paying Agent designated by the Paying Agent for such purpose;
- (e) Require that the Bonds be accompanied by duly executed instruments of transfer to the City (or in blank) with signatures authenticated by a bank or by a recognized securities dealer, in form and substance satisfactory to the Treasurer; and
- (f) Give notice that further interest on such Bonds, or on the principal amount to be redeemed of Bonds to be redeemed in part, only, will not accrue after the designated redemption date.

4.05 Receipt of Notice Unnecessary. The actual receipt by the Bondholder of any Bond of notice of such redemption shall not be a condition precedent to redemption,

and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bond or the cessation of interest on the date fixed for redemption.

4.06 Certificate of Notice Conclusive. A certificate by the Paying Agent that notice of call and redemption has been given to Bondholders as herein provided shall be conclusive as against all parties, and no Bondholder whose Bond is called for redemption may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that such Bondholder failed to actually receive such notice of call and redemption.

4.07 Redemption of Bonds. Whenever Bonds are called, the Treasurer shall establish a redemption fund (the "Redemption Fund") with the Paying Agent. Prior to the mailing of the notice of redemption, there must be available to or set aside in the Redemption Fund moneys or Federal Securities sufficient to redeem the Bonds or parts thereof designated in such notice for redemption, at the redemption price or prices set forth therein.

(a) Use of Funds. Said moneys must be available to or set aside in the Redemption Fund solely for that purpose and shall be applied on or after the redemption date to redemption of the Bonds or parts thereof to be redeemed upon presentation and surrender of such Bonds, and shall be used only for that purpose;

(b) Interest Due. Any interest due on or prior to the redemption date shall be paid from the Bond Fund described in Section 6.01, in the same manner as if such Bonds were not to be redeemed; and

(c) Retransfers. If after all of the Bonds or parts thereof to be redeemed have been redeemed and cancelled or paid and cancelled, there are moneys remaining in said Redemption Fund, said moneys shall be transferred to the City; provided, however, that if said moneys are part of the proceeds of refunding bonds, said moneys shall be transferred to the fund established for the payment of the principal of and interest on the Bonds refunded or as otherwise provided in connection with the issuance of the refunding bonds.

4.08 Effect of Notice of Redemption. When notice of redemption has been given substantially as provided herein, and when the amount necessary for the redemption of the Bonds called for redemption is set aside or made available for that purpose, the Bonds or parts thereof designated for

redemption shall cease to be entitled to any benefit under the resolutions providing for the issuance thereof other than the right to receive payment of the redemption price, and shall become due and payable on the date fixed for redemption thereof, and, upon presentation and surrender of said Bonds to the Paying Agent and the appropriate assignment thereof, such Bonds or parts thereof shall be redeemed and paid at said redemption price out of the Redemption Fund.

(a) Interest Terminates. If sufficient funds are set aside on the redemption date for such redemption and the payment of interest thereon, no interest will accrue on such Bonds or parts thereof called for redemption after the redemption date specified in such notice, and the Bondholders of said Bonds so called for redemption after such redemption date shall look for the payment of such Bonds or parts thereof only to said Redemption Fund; and

(b) Matured Interest Payable. All unpaid interest payable at or prior to the date fixed for redemption shall continue to be payable to the respective registered owners of such Bonds but without interest thereon.

4.09 Purchase of Bonds. The Treasurer may, from time to time, purchase outstanding Bonds provided that the purchase price of Bonds then callable shall not exceed the redemption price thereof.

4.10 Cancellation. All Bonds or parts thereof redeemed or purchased as provided by Section 4.01 shall be cancelled by the Paying Agent forthwith and shall not be reissued.

4.11 Partial Redemption of Registered Bond. Upon surrender of any fully registered Bond redeemed in part only, there shall be executed, authenticated, registered and delivered a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same Series, interest rate or rates and maturity. Unless the Bondholder requests that the Bond be transferred or exchanged as provided by Part 5, the Bondholder shall not be required to pay any tax or other governmental charge which may be payable in connection with issuance of the new Bond or Bonds.

PART 5. REGISTRATION

5.01 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 5.02, by the registered owner in person, or by the registered owner's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, in a form approved by the Registrar, duly executed.

Whenever any Bond shall be surrendered for transfer, the Registrar shall cause to be executed and shall deliver a new Bond or Bonds of the same Series, interest rate or rates and maturity and for a like aggregate principal amount. The Registrar shall require the holder of the Bond requesting such transfer to pay any tax or other governmental charge required to be paid or incurred with respect to such transfer.

The Registrar shall not be required to register the transfer of any Bond during the period commencing on the 15th day prior to the selection of Bonds for redemption and ending on the day of such selection, nor shall the Registrar be required to register the transfer of any Bond, or portion thereof, that has been selected for redemption.

5.02 Bond Register. There shall be kept by the Registrar sufficient books for the registration and transfer of the Bonds and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said register, Bonds as hereinbefore provided.

5.03 Exchange of Bonds. Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Bonds of the same Series, interest rate or rates and maturity of other authorized denominations. The Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid or incurred with respect to such exchange.

5.04 Bonds Lost, Stolen, Destroyed or Mutilated. In case any Bonds shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like Series, amount, interest rate or rates, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such lost, stolen or destroyed Bond, upon the payment of the reasonable expenses and charges of the Registrar and of the City (including any Bond printing) in connection therewith; and in the case of a lost, stolen or destroyed Bond,

upon the filing with the Registrar of evidence satisfactory to it and the Treasurer that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon the furnishing to the Registrar and the Treasurer of an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar and the Treasurer, in which both the City and the Registrar shall be named as obligees. In lieu of issuance of a new Bond, the City may pay the Bondholder in the event that the lost, stolen, destroyed or mutilated Bond has matured or is about to mature.

PART 6. APPLICATION OF FUNDS

6.01 The proceeds of the sale of the Bonds shall be placed in the City treasury and shall be allocated as follows:

(a) The premium and accrued interest, if any, shall be deposited in the Bond Fund created and maintained pursuant to the Master Resolution, to be applied to the first installment of interest becoming due on the Bonds;

(b) The balance of the proceeds shall be deposited in an account, designated the "Improvement Fund Series 86A Account" (the "Improvement Account") within the Improvement Fund created and maintained pursuant to the Master Resolution. Moneys deposited in the Improvement Account, and all interest earnings thereon, shall be held separate and distinct from all other moneys in the Improvement Fund. Moneys on deposit in the Improvement Account shall be applied for the purposes set forth in the Master Resolution. Pursuant to Section 6.04(b) of the Master Resolution, the Treasurer may apply a portion of the proceeds of the Bonds deposited in the Improvement Account to the payment of the costs and expenses incidental to or connected with the issuance of the Bonds. Pursuant to 6.04(a) of the Master Resolution, the Treasurer may from time to time, prior to June 1, 1989, transfer moneys from the Improvement Account to the Bond Fund, which moneys shall be applied solely to the payment of accrued interest on the Bonds to the extent such accrued interest represents capitalized interest.

PART 7. THE PAYING AGENT

7.01 The Paying Agent. Bank of America National Trust and Savings Association is hereby appointed Paying Agent for the City for the purpose of receiving all moneys which the City is required to deposit with the Paying Agent hereunder and to allocate, use and apply the same as provided in this resolution. The City agrees that it will maintain a Paying Agent having a principal corporate agency office in the State of California so long as any Bonds are outstanding.

The City may at any time remove the Paying Agent initially appointed, and any successor thereto, and appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company doing business and having a principal corporate agency office in San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section, the combined capital (exclusive of borrowed capital) and surplus of such bank or trust company shall be deemed to be such capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the City of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective only upon acceptance of appointment by the successor Paying Agent. If an instrument of acceptance of appointment by a successor Paying Agent shall not have been delivered to the Paying Agent within 30 days after the giving of such notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent.

The Paying Agent is hereby authorized to redeem the Bonds when duly presented for payment at maturity, or on redemption prior to maturity, and to cancel all Bonds upon payment thereof and surrender such Bonds to the City.

7.02 Registrar and Paying Agent Contract. The City hereby appoints the Paying Agent as the initial Registrar. The City Manager of the City is authorized to execute

and deliver, on behalf of the City, a contract with the Paying Agent, which provides for services by the Paying Agent as such and as paying agent for the purposes of paying the interest on and principal of, or redemption price of, the Bonds, and as Registrar. Upon merger or consolidation of the Paying Agent or the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Paying Agent or Registrar, as the case may be. The City agrees on behalf of the District to pay the reasonable and customary charges of the Paying Agent or Registrar for the services performed. The City on behalf of the District reserves the right to remove any Paying Agent or Registrar upon thirty (30) days' notice and to appoint a successor Paying Agent or Registrar, in which event the predecessor Paying Agent or Registrar shall deliver all cash and Bonds in its possession to the successor Paying Agent or Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this City, the Paying Agent shall provide money sufficient for the payment of all principal and interest then due, but solely from the Bond Fund described in the Master Resolution.

7.03 Liability of Agents. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City on behalf of the District, and neither the Paying Agent nor the Registrar assumes any responsibility for the correctness of the same, or makes any representation as to the validity or sufficiency of this Resolution or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. Neither the Paying Agent nor the Registrar shall be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The City on behalf of the District shall indemnify the Paying Agent for and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with its agency under this resolution, including the costs and expenses of defending itself against any claims or liability in connection with its exercise or performance of any of its duties under this resolution.

7.04 Notice to Agents. The Paying Agent and the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Paying Agent and the Registrar may consult with counsel, who may be counsel to the City or the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance therewith.

The Paying Agent shall have no responsibility as to compliance with any of the provisions of this Resolution which require the deposit of sums in certain amounts with the Paying Agent.

Neither the Paying Agent nor the Registrar shall be bound to recognize any person as the holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this resolution, the Paying Agent or the Registrar shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent or the Registrar, be deemed to be conclusively proved and established by a Certificate of the City and such Certificate shall be full warrant to the Paying Agent or the Registrar for any action taken or suffered under the provisions of this resolution upon the faith thereof, but in its discretion the Paying Agent or Registrar may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Paying Agent undertakes to perform such duties and only such duties as are specifically set forth herein, and no implied covenants or obligations shall be read into this resolution against the Paying Agent.

7.05 Cancellation of Bonds. All Bonds acquired by the City, whether upon call for redemption or by purchase or gift or otherwise, shall be delivered to the Paying Agent and cancelled by the Paying Agent and delivered to the City, and shall not be reissued.

PART 8. MISCELLANEOUS

8.01 Books and Accounts; Financial Statements.

(a) The City on behalf of the District will keep, or cause to be kept, proper books of record and accounts of all funds or accounts described by this Resolution separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to such funds or accounts. Such books of record and accounts shall be at all times during business hours subject to the inspection of the Paying Agent or of the holders of not less than ten percent (10%) of the principal amount of the Bonds then outstanding or their representative authorized in writing.

(b) The City will prepare annually within one hundred twenty (120) days after the close of each fiscal year of the City so long as any of the Bonds are outstanding:

an audited financial statement (prepared in accordance with generally accepted accounting principles) for the preceding fiscal year showing the revenues, all disbursements from the revenues and all applicable expenditures including the balances in all funds and accounts described by this Resolution and held by the Treasurer or the Paying Agent as of the beginning of such fiscal year and all deposits in and withdrawals from each such fund or account during such fiscal year and the balances in all such funds and accounts as of the end of such fiscal year, which audited financial statement shall indicate the manner and extent to which the City has complied with the provisions of this Resolution as it relates to such revenues, disbursements, expenditures, funds and accounts.

(c) The City will prepare annually not more than one hundred twenty (120) days after the close of each fiscal year of the City a summary statement showing the amount of the revenues and the disbursements from the revenues, in reasonable detail, for the preceding fiscal year, and a general statement of the financial condition both present and prospective. The City will furnish a copy of such summary statement to any Bondholder upon request.

8.02 Funds and Accounts. Any fund or account required by this Resolution to be established and maintained by

the Treasurer or the Paying Agent may be established and maintained in the accounting records of the Treasurer or the Paying Agent either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of every holder thereof.

8.03 Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Bondholders of the rights and benefits provided in this Resolution.

8.04 Tax Certificate. The City Manager is authorized to determine the amount and use of the proceeds of the Bonds and to certify for the City on behalf of the District facts, estimates and reasonable expectations, and to covenant for the City on behalf of the District with respect thereto, as in the determination of the City Manager may be necessary to establish and maintain the exemption of the interest on the Bonds from federal income taxation, and any such covenant shall be as binding on the City on behalf of the District as though set forth in this Resolution.

8.05 Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Resolution (other than the certificate required by Section 8.04) shall include (a) a statement that the person or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made, or caused to be made, such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

8.06 Execution of Documents by Bondholders. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Bondholders may

be in one or more instruments of similar tenor, and shall be executed by Bondholders in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondholder or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the state or territory in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Any request, declaration or other instrument or writing of any Bondholder shall bind all future owners of the Bond owned by such Bondholder with respect to which the declaration or other instrument or writing relates in respect of anything done or suffered to be done by the City in good faith and in accordance therewith.

8.07 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution on the part of the City (or of the Paying Agent) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Resolution or of the Bonds; but the Bondholders shall retain all the rights and benefits accorded to them under the Charter or any other applicable provisions of law. The City hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, and would have authorized the issuance of the Bonds pursuant hereto, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof, to any person or circumstances may be held to be unconstitutional, unenforceable or invalid.

8.08 Bond Resolution. Excepting as herein otherwise provided and to the extent not inconsistent herewith, the provisions of the Master Resolution shall apply to the Bonds.

8.09 Defeasance. The Bonds shall no longer be deemed to be outstanding and unpaid if the City shall have

made adequate provision for the payment, in accordance with the Bonds and this Resolution, of the principal, interest and premiums, if any, to become due thereon at maturity or upon call and redemption prior to maturity. Such provision shall be deemed to be adequate if the City shall, on behalf of the District, have irrevocably set aside, in a special trust fund or account, moneys or noncallable direct obligations of, or noncallable obligations guaranteed by, the United States of America, in which the City may lawfully invest its moneys, which when added to the interest earned or to be earned thereon shall be sufficient to make said payments as they become due.

8.10 Amendments Without Consent of Bondholders.

The City may, from time to time and at any time, adopt such resolutions amending this Resolution (which resolutions shall thereafter form a part hereof):

(a) To cure any ambiguity or formal defect or omission in this Resolution or in any parity bond resolution, or

(b) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon them, or

(c) To amend or supplement this Resolution in any other respect, provided such amendment or supplement is not adverse to the interests of the registered owners of the Bonds.

Prior to the time that Bonds are issued pursuant to this Resolution, all provisions of this Resolution (to the extent they solely apply to the Bonds) may be modified by a subsequent resolution of the City Council.

8.11 Amendments With Consent of Bondholders. This Resolution, and the rights and obligations of the City, the District and the holders of the Bonds issued hereunder, may be modified or amended at any time by resolution adopted by the City Council with the consent of Bondholders holding at least sixty percent (60%) in aggregate principal amount of the outstanding Bonds, exclusive of Bonds, if any, owned by the City, and obtained as hereinafter set forth; provided, however, that no such modification or amendment shall, without the express written consent of the registered owner of the Bond affected, reduce the principal amount of any Bond, reduce the interest payable thereon, advance the earliest redemption date, reduce the premium payable upon redemption

thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification.

Any act done pursuant to a modification or amendment so consented to shall be binding upon the Holders of all of the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, the Master Resolution or the Procedural Ordinance, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after such consent relating to such specified matters has been given, no Bondholder shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the City or any officer thereof from taking any action pursuant thereto.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail notice, postage prepaid, to the respective registered owners thereof at their addresses appearing on the Bond registry books.

Such notice shall briefly set forth the nature of the proposed resolution and shall state that a copy thereof is on file at the office of the City Clerk for inspection by all Bondholders. The Registrar shall not, however, be subject to any liability to any Bondholders by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such resolution when consented to and approved as provided in this Section.

Whenever at any time within one year after the date of the publication of such notice, the City shall receive an instrument or instruments purporting to be executed by the holders of not less than 60% in aggregate principal amount of the Bonds then outstanding, exclusive of Bonds, if any, owned by the City, which instrument or instruments shall refer to the proposed resolution described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the City Clerk, thereupon, but not otherwise, the City Council may adopt such resolution in substantially such form, without liability or responsibility to any holder of any Bond, whether or not such holder shall have consented thereto.

Upon the adoption of any resolution pursuant to the provisions of this Section, this Resolution shall be, and be

deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the City, the District and all holders of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

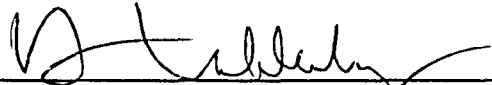
8.12 Tax Covenant. Notwithstanding any other provision of this Resolution, the City, on behalf of the District, hereby covenants that no part of the proceeds of the Bonds shall be used at any time, directly or indirectly, in a manner that will cause the loss of exemption of interest on the Bonds from federal income taxation.

8.13 Covenant Re Compliance With Proposed Legislation. In order to maintain the exemption from federal income taxation of interest on the Bonds, and for no other purpose, the City covenants to comply with each applicable requirement of the Tax Reform Bill of 1985 ("H.R. 3838"), as adopted by the United States House of Representatives on December 17, 1985 (the "House Bill") which would apply to the Bonds in the event the House Bill is enacted in a form which includes the delay in effective dates endorsed by a Joint Statement issued on March 14, 1986 by the Chairmen and ranking members of the House Ways and Means Committee and the Senate Finance Committee and the Secretary of the Treasury, so long as the House Bill remains pending. In furtherance of this covenant, the City agrees to comply with any H.R. 3838 Letter of Instructions (the "Letter") to be provided to the City by O'Melveny & Myers, bond counsel, on the date of delivery of the Bonds to the purchaser or purchasers thereof, as any such Letter may be amended from time to time, as a source of guidance for compliance with the House Bill (as the same would be amended by the Joint Statement). In the event that H.R. 3838 (or successor legislation of a substantially similar character) is enacted into law, the City covenants to continue to comply with each requirement of the House Bill except to the extent that the City receives an opinion of O'Melveny & Myers or other nationally recognized bond counsel to the effect that noncompliance with the applicable requirements of the House Bill will not change the federal income tax status of interest on the Bonds under then current law.

8.14 Repeal of Inconsistent Resolutions. Any resolution of the City, and any part of such resolution, inconsistent with this Resolution, is hereby repealed to the extent of such inconsistency.

8.15 Effective Date of the Resolution. This Resolution shall become effective upon the date of its adoption.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug, Deputy

Passed and adopted by the Council of The City of San Diego on May 27, 1986 by the following vote:

YEAS: _____

NAYS: _____

NOT PRESENT: _____

AUTHENTICATED BY:

Deputy Mayor of The City of San Diego,
California

City Clerk of The City of San Diego,
California

(SEAL)

By _____, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. _____ passed and adopted by the Council of The City of San Diego, California, on May 27, 1986.

City Clerk of The City of San Diego,
California

(SEAL)

By _____, Deputy

EXHIBIT A
FORM OF BOND

No. _____

SAN DIEGO OPEN SPACE PARK FACILITIES DISTRICT NO. 1
OPEN SPACE PARK BOND OF 1978, SERIES 86A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
----------------------	----------------------	-------------------	--------------

THE CITY OF SAN DIEGO (the "City"), a municipal corporation organized as a charter city under the Constitution and laws of the State of California, for San Diego Open Space Park Facilities District No. 1 (the "District"), hereby acknowledges the District to be indebted and, for value received, promises to pay to _____ or registered assigns, on the maturity date specified above,

_____ DOLLARS (\$ _____),

together with interest thereon from the Dated Date specified above at the Interest Rate specified above, payable on January 1, 1987, and semiannually thereafter on July 1 and January 1 of each subsequent year until the principal is paid.

This bond shall bear interest from the interest payment date next preceding the date of authentication and registration hereof unless such date is an interest payment date, in which event from the date of authentication and registration hereof; or unless this bond is authenticated and registered prior to the first interest payment date, in which event from the Dated Date specified above; provided, however, that if interest is in default, this bond shall bear interest from the last interest payment date to which interest has previously been paid or made available for payment.

The principal of, redemption premium, if any, and interest on this bond are payable in lawful money of the United States of America. The interest is payable by check or draft mailed to the owner in whose name this bond is registered at the close of business on the fifteenth day of the month preceding the month in which the interest payment date occurs at the registered owner's address as it appears on the

register maintained in the office of Bank of America National Trust and Savings Association, as Paying Agent and Registrar, or as is otherwise furnished to the Registrar in writing signed by the registered owner. The principal is payable and this bond may be redeemed only upon surrender of this Bond at the Corporate Agency Service Center of the Paying Agent, or any successor thereto, in San Francisco, California, or to such other correspondent paying agent and office as the City or such Paying Agent may designate from time to time.

If payment of the principal of and redemption premium, if any, on this bond or of any interest thereon is not made in full accordance with the terms hereof, the principal of this bond shall continue to bear interest at the annual rate stated above until paid in full, and any interest due and unpaid shall bear interest from the due date thereof also at the annual rate stated above.

This bond is transferable by the registered owner hereof in person or by the registered owner's duly authorized attorney in writing, and may be exchanged for bonds of other authorized denominations, in the manner provided by the resolutions pursuant to which it is issued and at the Corporate Agency Service Center of the Registrar in San Francisco, California.

The 1986 Bonds (as defined below) of which this bond is one shall not be redeemed prior to their stated maturities except as set forth below:

(a) Special Redemption from Environmental Growth Fund and Tax Revenues. The 1986 Bonds maturing on or before January 1, 1994 are not subject to special redemption prior to their stated maturity. The 1986 Bonds maturing on or after January 1, 1995 are subject to special redemption at the option of the City on behalf of the District, in whole or in part on any interest payment date on or after January 1, 1994, from available moneys in the City's Environmental Growth Fund and from tax revenues. Each 1986 Bond so redeemed shall be redeemed at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, plus the premium, if any, set forth below:

<u>Special Redemption Date</u>	<u>Premium</u>
January 1, 1994 or July 1, 1994	2.0%
January 1, 1995 or July 1, 1995	1.0%
January 1, 1996 and thereafter	0%

(b) General Redemption. The 1986 Bonds maturing on or before January 1, 1995 are not subject to general redemption prior to their stated maturity. The 1986 Bonds maturing on or after January 1, 1996 are subject to general redemption at the option of the City on behalf of the District, in whole or in part on any interest payment date on or after January 1, 1995, from any available moneys of the City (including, but not limited to, the proceeds of bonds issued to refund the 1986 Bonds). Each 1986 Bond so redeemed shall be redeemed at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, plus the premium, if any, as set forth below:

<u>General Redemption Date</u>	<u>Premium</u>
January 1, 1995 or July 1, 1995	3.0%
January 1, 1996 or July 1, 1996	2.0%
January 1, 1997 or July 1, 1997	1.0%
January 1, 1998 and thereafter	0%

[(c) The 1986 Bonds maturing _____ 1, _____ shall be called and redeemed prior to their maturity at a redemption price equal to the principal amount thereof without premium, or purchased by the City in lieu of call, in the principal amounts and during the years as follows:]

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

[TO COME]

Notice of redemption shall be mailed by registered or certified mail not less than thirty (30) days prior to the date of redemption to the registered owner of any 1986 Bond so called, as shown by the records of the Registrar.

This bond is one of a series of Open Space Park Bonds of 1978 Series 86A (the "1986 Bonds"), issued in the aggregate principal amount of _____ Dollars (\$_____), of an authorized issue of bonds aggregating \$65,000,000 in principal amount (the "1978 Authorization Bonds"), all of like tenor (except for such variations as may be required to designate varying series, dates, numbers, maturity dates, denominations, interest rates, places of payment, provisions for registration, redemption and other permitted variations), and is issued on behalf of San Diego Open Space Park Facilities District No. 1, created pursuant to the San Diego Park Facilities District Procedural Ordinance (Sec-

tions 61.2000 through 61.2071 of the San Diego Municipal Code) (the "Procedural Ordinance"), and proceedings of said City duly adopted and taken and a vote and assent of more than a majority of all the qualified electors of said District voting on the proposition therefor at an election duly called and held in said District. The 1978 Authorization Bonds were authorized pursuant to Resolution No. 222446 adopted by the City on December 18, 1978, and the 1986 Bonds were authorized pursuant to Resolution No. _____ of the City, adopted on May 27, 1986 (the "1986 Resolution"). By reference in this bond, said Procedural Ordinance, said electoral authorization, said Resolution No. 222446 and said 1986 Resolution are incorporated herein, and by acceptance of this bond the owner hereof assents to the terms and conditions thereof. The 1986 Resolution was adopted under and this bond is to be construed in accordance with the laws of the State of California.

The 1986 Bonds and the interest thereon are payable solely out of the special Bond Fund created and to be maintained therefor, the income and receipts of which shall be derived from (i) the annual levy and collection of taxes (unlimited as to rate and amount) on the taxable properties within the District and (ii) other funds which have been or may be appropriated or otherwise made available for the payment of principal or interest on the 1986 Bonds. Any taxes required to make all payments of principal and interest on the 1986 Bonds when due will be levied at the times and in the manner provided for the levy and collection of other City taxes, all as contemplated by Resolution No. 222446 of the City and the Procedural Ordinance, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and to be performed precedent to and in the issuance of this bond have existed, happened and been performed in due time, form and manner required by law, and that the amount of this bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California or the Charter or ordinances of the City. The full faith and credit of the District are hereby pledged for the punctual payment of the principal of and the interest on this bond.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the resolutions pursuant to which it is issued until the Certificate of Authentication and Registration hereon shall have been executed by the Registrar by the manual signature of one of its authorized officers.

IN WITNESS WHEREOF, the City of San Diego on behalf of San Diego Open Space Park Facilities District No. 1, has caused this bond to be signed by its Deputy Mayor and its Treasurer, countersigned by its City Clerk, and its official seal to be placed hereon, all in facsimile, at the City of San Diego as of the date specified above.

Deputy Mayor
City of San Diego

Treasurer
City of San Diego

COUNTERSIGNED:

Clerk, City of San Diego
(SEAL)

FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the 1986 Bonds described in the
within-mentioned 1986 Resolution and authenticated and
registered on _____ , _____.

Date of Authentication
and Registration:

BANK OF AMERICA NATIONAL
TRUST AND SAVINGS
ASSOCIATION, as Registrar

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby
sell, assign and transfer unto

(Print or typewrite name, address and social security
or other tax identifying number of assignee)

the within bond and all rights thereunder, and hereby irrevocably constitute(s) and appoint(s)

_____, attorney, to
transfer the same on the registry books of the Registrar,
with full power of substitution in the premises.

Dated: _____

Note: Signature(s) must correspond exactly to name(s) on face hereof. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of such person's authority to act must accompany this assignment.

Signature Guaranty:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UNIF GIFT MIN ACT....Custodian... (Cust) (Minor)
TEN ENT -- as tenants by the entireties	under Uniform Gifts to Minors Act..... (State)
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used.

57196

Passed and adopted by the Council of The City of San Diego on MAY 27 1986,
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VACANT

AUTHENTICATED BY:

ED STRUIKSMA

Deputy Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By June A. Blackwell, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number R-265809 Adopted MAY 27 1986